

Key Features

High return potential from diversified portfolio that seeks to exploit the benefits of lowly correlated asset classes

Active, research driven approach aims to blend optimal mix of investments to deliver targeted return

Multi-disciplinary team with extensive experience of both traditional and alternative investments and markets

Draws on scale and diversity of Threadneedle Investments' wider investment platform and sophisticated risk management framework

A proven track record of positive returns

Multi-asset strategy

Key facts*

Lead portfolio manager: Alex Lyle

Benchmark: UK base rate +4%

Investment objective: The strategy aims to deliver a positive return in excess of cash over the long-term by actively managing a diversified portfolio of assets, with a managed level of risk

Investment universe: Comprises three broad assets – equities, fixed income and alternative investments

Performance target: To outperform the UK base rate by 4% (gross of fees) over a 5 to 7 year cycle

Investment guidelines: Asset class weightings are: equities 30-50%; fixed income 20-40%; alternative investments 20-40%. This is to limit the amount of risk taken by investing in any one asset class

Holdings: Portfolio is invested in a wide range of equity, fixed income and alternative strategies using Threadneedle pooled funds

AUM managed in all Multi-asset strategies: GBP 31.3 billion

Performance returns

	1 year	3 years	5 years	Inception ¹
Composite	2.94%	13.05%	n/a	5.77%
Benchmark ²	4.52%	4.51%	n/a	5.75%
Value added	-1.58%	+8.54%	n/a	+0.02%

Source: Threadneedle Investments. Annualised performance as at 31.03.2012 is shown gross of management fees in GBP. Past performance is not indicative of future results. See the composite presentations and disclosures in the appendix at the end of this profile for more information on performance, calculation methodology and benchmarks.

¹Inception date of the Multi-asset strategy is 31.10.2007. ²Benchmark is the UK base rate +4%.

Investment philosophy

- Dynamic management of Multi-asset portfolios can deliver positive returns over the longer-term.
- We seek to exploit active return sources at both the asset allocation and fund selection levels.
- Our focus on proprietary funds enhances portfolio oversight as part of a disciplined risk management.

*All information as at 31 March 2012. Where references are made to portfolio guidelines and features, these may be subject to change over time and prevailing market conditions. Actual investment parameters will be agreed and set out in the prospectus or formal investment management agreement. Please note that the performance target may not be attained.

Investment team

The Multi-asset investment team has extensive experience of a wide range of asset classes and investment markets. These complementary strengths enable us to bring a diverse range of skills and ideas to managing our Multi-asset strategies.



Alex Lyle
Head of Managed Funds
32 years' experience



Mark Burgess
Chief Investment Officer
26 years' experience



Leigh Harrison
Head of Equities
29 years' experience



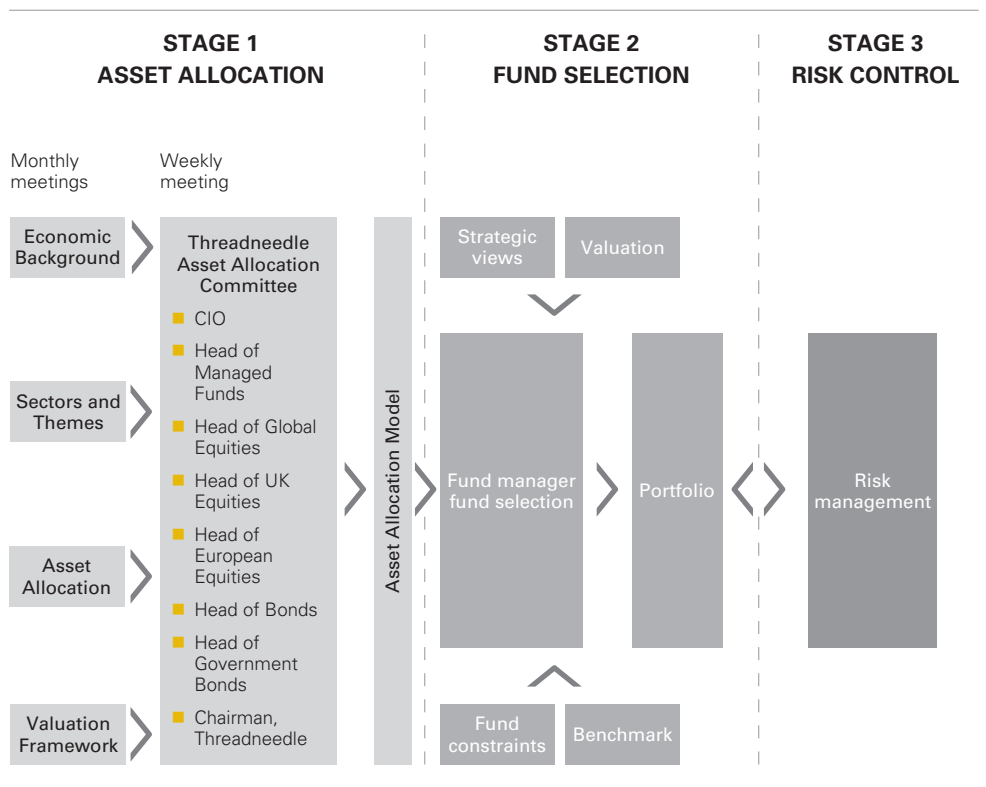
Jim Cielinski
Head of Fixed Income
29 years' experience



Don Jordison
Head of Property
30 years' experience

Investment process

We manage our Multi-asset strategies using a three-stage process (see diagram below). First, we determine the asset allocation for the portfolio. We then decide how best to implement that asset allocation, using Threadneedle pooled funds. Finally, we carry out ongoing risk monitoring to check potential variances in the portfolio's investment returns and, where appropriate, adjust allocations made at the earlier selection process.



Asset allocation

Our Asset Allocation Committee meets weekly to determine the mix of asset classes into which the portfolio is to be invested. The Committee draws on the inputs from the following in-house strategy groups that meet on a monthly basis:

Economic background: sets economic forecasts (economic growth rates and trends; interest rates and currency views) for all major and key emerging economies.

Sectors and themes: articulates our views of industry sectors and financial and economic themes.

Asset classes: assesses the relative attractiveness of asset classes, based on the above economic and sector / themes forecasts and additional factors including understanding corporate profitability, valuations and liquidity.

Valuation framework: assesses the extent to which asset prices already reflect future prospects, and the scope for future appreciation.

Fund selection

The portfolio manager determines the optimal mix of proprietary funds to implement the decisions of the Asset Allocation Committee. This uses the investment parameters as set out in the table below, which are weighted depending on the required asset class mix:

Investment parameters**

	Minimum weighting	Neutral	Maximum weighting
Equities	30%	40%	50%
Fixed Income	20%	30%	40%
Alternatives***	20%	30%	40%

The portfolio manager makes a judgement about which funds best meet the risk / return profile of the Multi-asset portfolio. This might mean placing an emphasis on funds designed to achieve an absolute return; or on funds that concentrate on equities with a large or small cap bias; or funds that express particular currency views.

Risk control

The portfolio manager monitors the asset allocation and fund selection against the risk parameters of Multi-asset portfolios on an ongoing basis. We use a proprietary risk model to analyse asset class, sector and individual exposures, with variances against benchmarks generated at the fund level and broken down into component parts. This enhances alpha generation potential and maximises diversification benefits.

Our independent risk management team supports and enhances the portfolio manager's decision-making by conducting stress testing to evaluate the potential impact of extreme market shifts and identify sensitive market exposures. This is in addition to our own portfolio risk analysis, which includes pre and post trade compliance monitoring, stop-loss limits, portfolio modelling and mandate limit verification.

**Where references are to portfolio guidelines, these may be subject to change over time and prevailing market conditions.

***Alternatives are currently defined as absolute return funds, commodities and property.

GIPS – Multi-asset strategy Composite

Year End	Composite Total Return Gross %	Primary Benchmark %	Composite 3-Yr St Dev %	Benchmark 3-Yr St Dev %	Number of Portfolios	Composite Dispersion	AUM Composite (millions)	AUM Firm (millions)	%age of firm assets
2007 (since 31-Oct-07)	1.12	1.61	N/A	N/A	1	N/A	0.01	67,689.7	0.0
2008	-9.48	9.00	N/A	N/A	1	N/A	0.01	50,753.4	0.0
2009	17.09	4.65	N/A	N/A	1	N/A	57.3	60,485.5	0.1
2010	13.97	4.52	11.28	0.60	1	N/A	70.3	67,670.8	0.1
2011	-1.52	4.52	9.12	0.06	1	N/A	69.8	73,041.6	0.1
YTD	6.52	1.11			1		74.1	77,039.6	0.1
3 Months	6.52	1.11			1				
Rolling 1 Year	2.94	4.52			1	N/A			
Rolling 3 Year	44.48	14.16			1				
Annualised	13.05	4.51				N/A			
Rolling 5 Years	N/A	N/A			1				
Annualised	N/A	N/A				N/A			
Rolling 10 Years	N/A	N/A			1				
Annualised	N/A	N/A				N/A			
Since Inception (31/10/2007)	28.13	28.02			1				
Annualised	5.77	5.75				N/A			

The 'Firm' is defined as all portfolios managed by Threadneedle Asset Management Limited and Threadneedle International Limited since 01/01/2000 excluding directly invested property portfolios. In 2009 Threadneedle acquired the Standard Chartered World Express SICAV business with a value of \$2.38bn. The funds have been incorporated into the composites according to GIPS standards. Subadvisors are used to manage some of these portfolios. (Threadneedle Asset Management Limited and Threadneedle International Limited are authorised and regulated in the UK by the Financial Services Authority. In addition, Threadneedle International Limited is registered with the Securities and Exchange Commission (SEC) in the United States as an investment adviser under the US Investment Advisers Act of 1940). This composite comprises all discretionary accounts managed according to the Firm's Multi-Asset Pension (Pooled) strategy. Threadneedle Asset Management 'the Firm' claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS Standards. Threadneedle Asset Management has been independently verified by Ernst & Young LLP for the periods 1st January 2000 to 30th June 2011. The verification reports are available upon request. Verifications assesses whether the firm has complied with all composite construction requirements of the GIPS Standards on a firm wide basis and that the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS Standards. Verification does not ensure the accuracy of any specific composite presentation. The portfolio returns used in composites are calculated using daily authorised global close valuations with cash flows at start of the day. Returns are net of non-recoverable withholding tax, whilst any recoverable tax is included on a cash basis. Composite returns are calculated by using underlying portfolio beginning of period weights and monthly returns. Periodic returns are geometrically linked to produce longer period returns. Additional information regarding policies for calculation and reporting of returns is available upon request. Composite performance results are presented gross of management fees and custodian fees but after deduction of trading expenses. The representative fee scale for this composite is 0.70% per annum. The dispersion of annual returns is measured by the asset weighted standard deviation of portfolio returns represented within the composite for the full year. Dispersion is only shown in instances where there are five or more portfolios throughout the entire reporting period. The primary benchmark for this composite is the UK Base rate + 4%. Derivative instruments may be used as a fundamental part of a fund's investment objective and would be expected to be used in almost all market conditions and may materially increase the risk profile of the fund from that which would be expected from its non-derivative activities. The three-year annualised standard deviation measures the variability of the composite and the benchmark returns over the preceding 36 month period. A full list of composites is available upon request.

Important information. For internal use by institutional clients and consultants only (not to be passed on to any third party). To the extent that this document contains financial product advice, that advice is provided by Threadneedle International Limited. Threadneedle International Limited is exempt from the requirement to hold an Australian financial services licence under the Corporations Act in respect of the financial services it provides. Threadneedle International Limited is regulated by the Financial Services Authority under UK laws, which differ from Australian laws.

Past performance is not a guide to future performance. The value of investments and any income is not guaranteed and can go down as well as up and may be affected by exchange rate fluctuations. This means that an investor may not get back the amount invested. Performance figures and other data relating to a fund or a representative account are provided for illustrative purpose only and may differ from that of other separately managed accounts due to such differences as cash flows, charges, applicable taxes, and differences in investment strategy and restrictions. Where references are made to portfolio guidelines and features, these are at the discretion of the portfolio manager and may be subject to change over time and prevailing market conditions. Actual investment parameters will be agreed and set out in the prospectus or formal investment management agreement. Please note that the performance target may not be attained. The research and analysis included in this document has been produced by Threadneedle Investments for its own investment management activities, may have been acted upon prior to publication and is made available here incidentally. Any opinions expressed are made as at the date of publication but are subject to change without notice. Information obtained from external sources is believed to be reliable but its accuracy or completeness cannot be guaranteed. This document is a marketing communication. The research and analysis included in this document have not been prepared in accordance with the legal requirements designed to promote its independence and have been produced by Threadneedle Investments for its own investment management activities, may have been acted upon prior to publication and is made available here incidentally. Any opinions expressed are made as at the date of publication but are subject to change without notice. Information obtained from external sources is believed to be reliable but its accuracy or completeness cannot be guaranteed. The mention of any specific shares or bonds should not be taken as a recommendation to deal. Threadneedle Asset Management Limited. Registered in England and Wales, No. 573204. Registered Office: 60 St Mary Axe, London EC3A 8JQ. Authorised and regulated in the UK by the Financial Services Authority. Threadneedle International Limited. Registered in England and Wales, No. 2283244. Registered Office: 60 St Mary Axe, London EC3A 8JQ. Authorised and regulated in the UK by the Financial Services Authority. Issued in Hong Kong by Threadneedle Portfolio Services Hong Kong Limited 天利投资管理香港有限公司 ("TPSHKL"). Registered Office: Unit 3004, Two Exchange Square, 8 Connaught Place Hong Kong. Registered in Hong Kong under the Companies Ordinance (Chapter 32), No. 1173058. Authorised and regulated in Hong Kong by the Securities and Futures Commission. Authorisation does not imply official approval or recommendation. The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document you should obtain independent professional advice. Issued in Singapore by Threadneedle Investments Singapore (Pte.) Limited, 3 Killiney Road, #07-07 Winsland House 1, Singapore 239519. License Number: CMS100182-1. Threadneedle Investments Singapore (Pte) Limited has exempt fund manager status in Singapore. This document is being issued in Singapore to and is directed only at persons who are accredited investors (as defined in the Securities and Futures Act, Chapter 289 of Singapore) in Singapore. This document must not be relied or acted upon by any persons in Singapore other than an accredited investor. Threadneedle Investments is a brand name and both the Threadneedle Investments name and logo are trademarks or registered trademarks of the Threadneedle group of companies. threadneedle.com